TRANSACTIONAL LEADERSHIP: IMPROVING SATISFACTION, PERFORMANCE, AND MOTIVATION OF THE EMPLOYEES AT PD. HOLLYWOOD

Nadya Anindhita Radityani1), Jerry Marcellinus Logahan2)
1) Jurusan Manajemen, Binus University
2) Jurusan Manajemen, IBM asmi
E-mail: nadya.anindhita@gmail.com, jerryml@ibmasmi.ac.id

Abstract
The objective of this research is to find out about the impact/influence of Leadership Transactional on Employees Satisfaction, Employees Performance, and Motivation at PD. Hollywood. The data are acquired by spreading questionnaires to 46 employees of PD. Hollywood. In this research was using simple and multiple regression method. Thus, in this study writer went to the field, acting as an observer and observed the symptoms and record it in the observational record with no attempt to manipulate the variables. The result are showed that leadership transactional partially and simultaneously have a positive and significant impact/influence on employees satisfaction and motivation, while employee performance has no correlation with leadership transactional. Therefore, automatically there is no significant impact/influence between leadership transactional and employee performance. (NAR)

Keywords: Transactional leadership, Employee Satisfaction, Employee Performance, Motivation

Introduction
In the company there are several keys to success of a business. Leader could have a very important control in the company. If the leadership is bad then it would give bad impact to for employees and for the company's performance. If the leadership is good, it will be good for the employees and the company's performance to achieve the success of a company. Leaders can provide a sense of trust or sense of a positive incentive for its employees so as to realize the goal of the company. Leadership is a complex phenomenon involving the leader, the followers, and the situation. Leadership is the process by which an agent induces a subordinate to behave in a desired manner and also to creating conditions for a team to be effective and efficient (Hughes, Ginnett, & Curphy, 2012).

In Indonesia there will always competition in every types of business, no exception for conblock (concrete block) business. A concrete block is primarily used as a building material in the construction of walls. It is sometimes called a concrete masonry unit (CMU). This industry is in its mature stage and is expected to excel effectively in developing countries. The growth in industrialization and IT has fuelled the expansion of the construction industry, especially in emerging countries. Significant changes in the industrial sector have triggered the development of the overall infrastructure of many regions.

PD. Hollywood was founded in early 1990 in Jl. Raya Sukabumi Km 17 No. 1, Caringin-Bogor. PD. Hollywood is a family company that is engaged in the Concrete Block. PD. Hollywood has approximately 50 employees, most of the employees are conblock makers and drivers, the rest are staff and managerial level. In improving the performance and loyalty of employees, company take several ways, for example through education, training, provision of adequate compensation, creating a conducive working environment and motivation, etc.
PD. Hollywood always concern about how to make their employee satisfied with their job and the environment of the company. But PD Hollywood faced serious problem about their human resource. Company thinks that employees performance is not stable, sometimes they can give good performance (achieve target) but sometimes not, but author collect the data based on quarter one 2015 and the data shows that employee performance always decrease every month (Table 1). Like already describe above, company thinks they give appropriate base salary, and compensation. But in reality satisfaction not only seen from the salaries of employees, but there are also other things such as leadership within the company.

Table 1 Employees Performance Data in Quarter 1 2015

<table>
<thead>
<tr>
<th>Month</th>
<th>Achieve Target</th>
<th>Did Not Achieve Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>95,39%</td>
<td>4,61%</td>
</tr>
<tr>
<td>February</td>
<td>94,98%</td>
<td>5,02%</td>
</tr>
<tr>
<td>March</td>
<td>90,21%</td>
<td>9,79%</td>
</tr>
<tr>
<td>April</td>
<td>87,64%</td>
<td>12,36%</td>
</tr>
</tbody>
</table>


With this issue being founded by the author in PD. Hollywood, the author would like to conclude that the transactional leadership can be one of the problem that affect employee feel dissatisfied and the performance not stable and also low motivation which needs to be resolved by the company. The author can conclude this issue because the author doing interview among the employees of PD. Hollywood to know more about the problem that occur at PD. Hollywood.

The objectives with this study are:
1. To examine the impact/influence of transactional leadership on employee satisfaction at PD. Hollywood.
2. To examine the impact/influence of transactional leadership on employee performance at PD. Hollywood.
3. To examine the impact/influence of transactional leadership on motivation at PD. Hollywood.

Based on the previous research about the effect of leadership, motivation, and work discipline on the employees performance of finance section in the regional working unit in Tulungagung regency. Based on the multiple linear regression analysis tests, it can be concluded that the variables of leadership and work discipline have significant effect on the performance of employees, while the variable of motivation does not have significant effect on the performance of employees of finance section in the Regional Working Units of Tulungagung Regency. (Febiningtyas & Ekaningtias, July 2014.).

There is other research about the transactional leadership, performance, and job satisfaction: the mediating role of empowerment said that the more managers are seen as authentic, by emphasizing transparency, balanced processing, self-awareness and high ethical standards, the more nurses perceive they have access to workplace empowerment structures, are satisfied with their work, and report higher performance. The theoretical model was tested using structural equation modeling (Wong & Laschinger, April 2013, Vol 69, Issue 4).

The comparison this research with the other two research are this research is about the transactional leadership influence of satisfaction, performance, and motivation of the employees at PD. Hollywood. This research is talk about the problem occur in this era as time goes by problems that arise can be different because of the needs of each person also continues to grow. The scope of this study is strictly discussing about the contribution of transactional leadership towards employees satisfaction, employees performance, and motivation at PD. Hollywood. In this research will looking transactional
leadership whether can improve employees satisfaction, employees performance, and motivation at PD. Hollywood.

**Research Methodology**

The research type that the author has decided to adapt is the associative research, where hypothesis are used to find the impact that one variable has over the other. The research method that has been decided on is using the explanatory research using simple regression analysis. An explanatory survey is the use of questionnaires and interviews to determine how a situation come to place and is a research method that the author has decided to use. A previous interview was done to a number of employees at PD. Hollywood, therefore the unit analysis being used is individual. The collecting of data will be done once possibly in a daily, weekly or monthly period in order to answer the research questions that were stated therefore using the cross sectional technique.

This research is entitled “Transactional Leadership: Improving Satisfaction, Performance, and Motivation of The Employees’ at PD. Hollywood” with the intention of observating Employees Satisfaction ($Y_1$), Employees Performance ($Y_2$), and Motivation ($Y_3$) as dependent variable towards Leadership Transactional ($X$) as the independent variable. Scale measurement used in this research is Likert scale. According to (Sujarweni, 2015, p. 19) Likert scale is used when we want to ask something that showing agreement or disagreement level of respondents. Data that produced using Likert scale is ordinal data. However, ordinal data cannot be used in parametric test, such as: regression test which will be used in this research. Therefore, the data must be converted into interval data.

The probability sampling is a sampling technique to provide equal opportunities to every member of the population to be elected as members of the sample. The classification is simple random sampling. Simple random sampling is a method of sampling using a random member of the population regardless of the strata (level) in members of the population. This is done when the members of a population is homogeneous (similar).

This research conducted for about 7 months, from june 2015 until january 2016 at PD. Hollywood. The object of the research is the employees at PD. Hollywood. There are approximately 50 employees working at PD. Hollywood. Based Sugiyono (2012, p. 260), correlation analysis is used to find the direction and strength of relationship between two or more variables, whether the relationship is symmetric, causal and reciprocal, whereas regression analysis is used to predict the extent to which changes in the value of the dependent variable, if the value of the independent variable manipulated or be changed or hung upside down, then the strength of the relationship between variables resulting from the analysis of correlation can be determined based on the size of the correlation coefficient.

**Design Analysis**

Author is using the simple regression method of analysis. Simple regression is one of the few methods of testing regression that is used as a statistical inference to determine the impact of an independent variable towards the dependent variable.

**Operational Variables**

The definition of the operational of a variable is a theoretical explanation of the variables so that it can be observed and then measured to determine what necessary things should be done to achieve a particular objective or a variable decomposition process of research into the sub-variables, dimensions and measurement indicators (Sekaran & Bougie, 20013, p. 200).
<table>
<thead>
<tr>
<th>Variable</th>
<th>Concept</th>
<th>Dimension</th>
<th>Indicators</th>
<th>Measurement of indicators</th>
<th>Scale of measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership</td>
<td>Transactional leadership is the leader and follower acts as a principal bargaining in a process that involves the exchange of rewards and punishments. (Pounder and Brown, 2011)</td>
<td>Active</td>
<td>1. Leaders oversee the rules and standards set 2. Leaders look for irregularities that do not comply with the rules and standards set 3. The Leader perform corrective action on deviations that occur</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Passive</td>
<td>Leader intervene only when the standard is not reached</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td>Employee Satisfaction</td>
<td>Job satisfaction can be defined as the extent to which someone likes her/his job. (Spector in Grigoroudis, E., and Siskos, Y. (2010)</td>
<td>Pay</td>
<td>• Satisfaction with pay and pay raises</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion</td>
<td>• Satisfaction with promotion opportunitie s</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Nature of work</td>
<td>• Satisfaction with the type of work done</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supervision</td>
<td>• Satisfaction with the person’s immediate supervisor</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Co – workers</td>
<td>• Satisfaction with co – workers</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fringe benefits</td>
<td>• Satisfaction with fringe benefits</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contingent rewards</td>
<td>• Satisfaction with rewards, not necessarily monetary</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operating conditions</td>
<td>• Satisfaction s with rules and</td>
<td>Ordinal Interval</td>
<td>Likert Scale</td>
</tr>
</tbody>
</table>
#### Analysis

Based on the questionnaire that already distributed at PD. Hollywood, author get 46 respondents out of 50 employees. From the questionnaire author doing validity and reliability testing to know whether the data is valid and reliable or not. The result form validity and reliability testing are transactional leadership, employees satisfaction, employees performace, and motivation are valid and reliable.

#### Table 3 Normality Test

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig</th>
<th>Symbol</th>
<th>Alpha</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee satisfaction ($Y_1$)</td>
<td>0.696</td>
<td>$&gt;$</td>
<td>0.05</td>
<td>accept Ho</td>
</tr>
<tr>
<td>Employee Performance ($Y_2$)</td>
<td>0.130</td>
<td>$&gt;$</td>
<td>0.05</td>
<td>accept Ho</td>
</tr>
<tr>
<td>Motivation ($Y_3$)</td>
<td>0.204</td>
<td>$&gt;$</td>
<td>0.05</td>
<td>accept Ho</td>
</tr>
<tr>
<td>Transactional Leadership ($X$)</td>
<td>0.264</td>
<td>$&gt;$</td>
<td>0.05</td>
<td>accept Ho</td>
</tr>
</tbody>
</table>

Source: Author (2015)

Using Shapiro-Wilk employee satisfaction, employee Performance, motivation, and transactional leadership data are normally distributed. So the variable of employee...
satisfaction, employee performance, motivation, and transactional leadership is eligible for testing correlation and regression analysis.

**Correlation Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>R</th>
<th>Interval Coefficient</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership and Employee Satisfaction</td>
<td>0.564</td>
<td>0.41 - 0.70</td>
<td>Strong</td>
</tr>
<tr>
<td>Transactional Leadership and Employee Performance</td>
<td>0.046</td>
<td>0.00 - 0.20</td>
<td>Very Weak</td>
</tr>
<tr>
<td>Transactional Leadership and Motivation</td>
<td>0.315</td>
<td>0.21 - 0.40</td>
<td>Weak</td>
</tr>
</tbody>
</table>

**Source: Author (2015)**

Based on the table above, there is a strong and positive correlation between transactional leadership and employee satisfaction. It means that if the value of transactional leadership increases, the value of employee satisfaction will also increase. Vice versa, if the value of transactional leadership decreases, the value of employee satisfaction will decrease as well.

There is no correlation between transactional leadership and employee performance, also this two variables have a positive and very weak closeness. No correlation because sig > \( \alpha \).

There is weak and positive correlation between transactional leadership and motivation. It means that if the value of transactional leadership increases, the value of motivation will also increase. Vice versa, if the values of transactional leadership decrease, the value of motivation will decrease as well.

**Simple Regression Test**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig</th>
<th>Influence</th>
<th>Coefficient Determination</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactional Leadership and Employee Satisfaction</td>
<td>0 &lt; 0.05</td>
<td>significant</td>
<td>31.8%</td>
<td>( Y = 21.120 + 1.103 x )</td>
</tr>
<tr>
<td>Transactional Leadership and Motivation</td>
<td>0.033 &lt; 0.05</td>
<td>significant</td>
<td>9.9%</td>
<td>( Y = 18.732 + 1.093 x )</td>
</tr>
</tbody>
</table>

**Source: Author**

The value of transactional leadership (X) is 1.103 states that the higher the level of employee satisfaction in PD. Hollywood will increase employee satisfaction (Y) at PD. Hollywood. This means that if transactional leadership rises or increases, employee satisfaction will rise or increase and vice versa when the transactional leadership decreases then employee satisfaction will decrease as well. It means if the company has good transactional leadership, the employee will be satisfied.

The coefficient of determination means employee satisfaction significantly impact/effect/influence transactional leadership as much as 31.8% and the rest 68.2% are impacted/effect/influenced by other factors.

The value of transactional leadership (X) is 1.093 states that the higher the level of transactional leadership at PD. Hollywood will increase motivation (Y) at PD. Hollywood. This means that if transactional leadership rises or increases, motivation will rise or increase too and vice versa when the transactional leadership decreases then motivation would decrease or decrease too.
will decrease as well. It means if the company has good transactional leadership, the employee will be more motivated.

The coefficient of determination means motivation significantly impact/effect/influence transactional leadership as much as 9.9% and the rest 90.1% are impacted/effected/influenced by other factors.

Research Implication

\[ Y = 21.120 + 1.103x \]

\[ Y = 18.732 + 1.093x \]

These are the implication of the result of research that has been done:

- Transactional leadership impact/effect/influence employee satisfaction as much as 31.8% and the rest 68.2% are impacted/effected/influenced by other factors.
- Transactional leadership has no impact/effect/influence employee performance. 100% are impacted/effected/influenced by other factors.
- Transactional leadership impact/effect/influence motivation as much as 9.9% and the rest 90.1% are impacted/effected/influenced by other factors.

Conclusion and Recommendation

The conclusions that obtained from this research based on the research objectives are:

1. Transactional leadership significantly impacts/influences employee satisfaction.
2. Transactional leadership has no correlation with employee performance at PD. Hollywood.
3. Transactional leadership significantly impacts/influences motivation.

The influence transactional leadership and employee satisfaction. The average employee dissatisfied with the rules and procedures at PD. Hollywood. PD. Hollywood should ask directly to employee in what section of the rules and procedures that make them dissatisfied. Usually transactional leaders focus on increasing the efficiency of establishes routines and procedures and are more concerned with following existing rules than with making changes to the structure of the organization. So leader at PD. Hollywood must reviewing the rules and procedure to make employee feel satisfied.

The influence transactional leadership and employee performance. The average employees cannot came on time and they performance are below the standard. Based on the correlation testing there is no correlation between these variable so PD. Hollywood must observed what variables make their employee cannot come on time and their performance below standart. Based on the previous research from Judge, Timothy A.; Thoresen, Carl J.; Bono, Joyce E. & Patton, Gregory K (Psychological Bulletin 2001, Vol. 127. No.3. 376-407) employee satisfaction can be the variables that influence employee
performance. But to make their performance increase PD. Hollywood can gives regular, accurate performance reviews.

The influence transactional leadership and motivation. The employee do not agree with the policy and the administration in the company. In order to reduce demotivation because of the employee feel that PD. Hollywood do not have good policy and corporate administration, PD. Hollywood must reviewing their policy, and to make the organization going well administrator must improve their performance to make the employees feel more motivated. They have to monitor employee performance and evaluation simultaneously. They also have to ensure the employee productivity and quality everyday. Leader also can promote an office atmosphere that makes all employees feel worthwhile and important. Don’t play favorites with your staff. Keep office doors open, and let employees know they can always approach you with questions or concerns.

To improve transactional leadership at PD. Hollywood must be able to make strong relationship with their employees, by joining workshop or training to improve that skills. Leader must helps the followers to sharpen their minds and skills to think differently by thinking outside the box. Not only that, a leader also needs to create a positive and enjoyable working environment as this creates positive vibes in the workplace. Hence, communication between the leader and the followers are very important in this matter. A great influential leader consists of five characteristics which are flexible, communication, patience and courage, humble as well as responsible.

Reference


